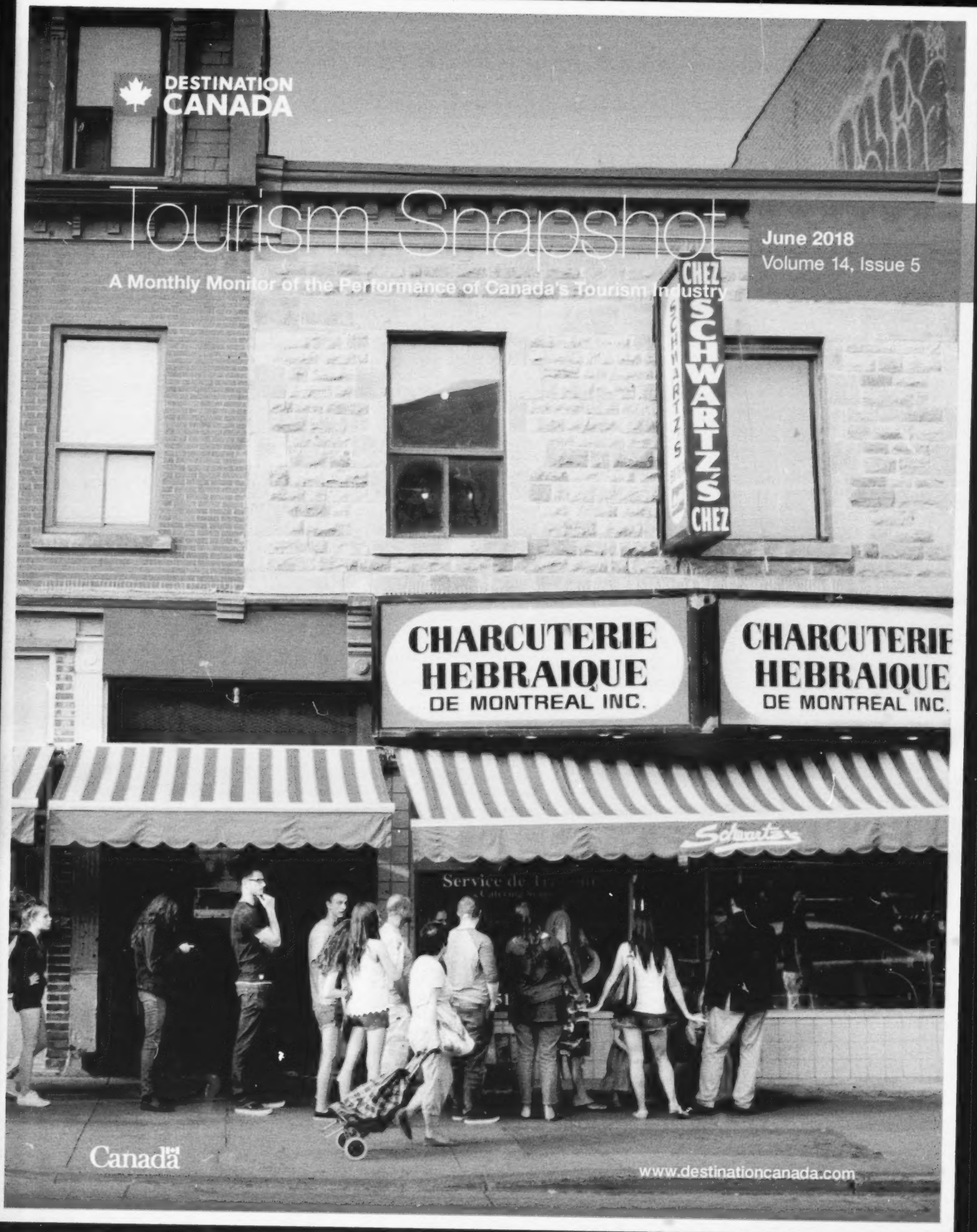
DESTINATION CANADA
Tourism Snapshot
A Monthly Monitor of the Performance of Canada's Tourism Industry
June 2018
Volume 14, Issue 5
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KEY HIGHLIGHTS

IMPORTANT: The June frontier counts released on September 10, 2018 are based on new air administrative data from CBSA. The new data contains important adjustments on performance to date.

- **Over the first half of 2018, overnight arrivals from Destination Canada's 10 international markets edged up 1.3%, a performance that was largely tied to a 1.7% increase in US visitors, which outpaced a subdued performance from Destination Canada's long-haul markets (+0.8%).**
  - **From January to June 2018, increased direct air arrivals from Destination Canada's long-haul markets (+5.3%) stood in sharp contrast to declines in air arrivals via the United States (-15.9% from Destination Canada's long-haul markets).**
  - **This subdued performance from long-haul markets likely resulted from a confluence of factors: rising travel costs to Canada (accommodation and airfares), disruptions arising from external environmental and economic factors, and a reported trend toward short-haul trips in some markets.**
- **UK reclaiming top spot:** Overnight arrivals of UK residents increased in June 2018 (+4.5%), while China contracted (-5.2%). As a result, despite a continued decline over the first half of 2018 (-2.8%), the UK (315,000 visitors YTD) moved ahead of China (301,000 visitors YTD) to reclaim its position as Destination Canada's largest long-haul market YTD June 2018.
- **Air arrivals direct from overseas still trending upward:** Over the first half of 2018, gains in direct air arrivals from Destination Canada's nine long-haul markets (+5.3%) generally matched the increase in scheduled non-stop air capacity from these markets (+8.2%). This likely also facilitated substitution away from travelling on connecting flights via the US (-15.9%).
- Over the first half of 2018, South Korea (-16.4% total arrivals by air) and Japan (-24.2% total arrivals by air) were the only Destination Canada long-haul markets to sustain contractions by air both direct from overseas and via the US, while India (+14.5%) remained in positive territory on both counts.
- While overnight arrivals from Destination Canada's long-haul markets over the first half of 2018 were flat year-over-year, they expanded at an average annual growth rate of 8.0% since 2016. The fastest growing markets since 2016 were Mexico (+26.5%), India (+15.7%) and China (+11.9%). Japan was the only market to show a decline (-5.8%).
- Buoyed by increased arrivals by automobile and other modes of transport, US overnight arrivals rose 3.5% in June, bringing total US overnight arrivals over the first half of 2018 to +1.7%. For a third month in a row, US air arrivals fell in June (-7.0%), leading to a contraction over the first half of the year (-2.9%).

[1]Note the following caveat from Statistics Canada associated with the June 2018 data: *This release of Frontier Counts for the June 2018 reference month is the second release that incorporates PIK data from the airports where the system has been implemented. For the months of January 2018 to April 2018, preliminary modelled estimates of traveller counts at PIK airports have been replaced by PIK-based counts. The provincial and national totals to which these counts contribute have also been revised. The preliminary estimates of 2017 traveller counts for PIK airports will be revised at a later date.*

While seasonally adjusted data have been revised since 2015, caution should be exercised when comparing with 2017 data that include international travellers to Canada by air for the months of March to December. This is because the revision of the preliminary modelled data for PIK airports in 2017 with actual PIK data has not yet been implemented. Nonetheless, this break in the series is temporary pending revision of the estimates using PIK data.

Data users are also cautioned that the switch from E311 cards to PIK has impacted the historical comparability of some data series. Most notably, there has been an increased tendency of Canadian travellers returning from overseas trips via the United States to report that they are returning from the United States and not overseas via the United States. In the Frontier Counts, this has led to increases in the numbers of Canadian residents returning from the United States by air, and decreases in the numbers of Canadian residents returning from countries other than the United States by air via the United States (as well as more aggregated series to which these data contribute).

The numbers of travellers to and from Canada by car and other modes of transportation are not affected by revisions in PIK data.

QUICK LINKS

UNITED STATES
MEXICO
EUROPE
ASIA-PACIFIC

Industry Performance Dashboard

	June 2018	YTD
Overnight Arrivals[1]		
Total International	↑ 3.0%	↑ 1.7%
10 DC Markets*	↑ 2.8%	↑ 1.3%
United States	↑ 3.5%	↑ 1.7%
9 Long-Haul Markets	↑ 0.1%	0.0%
Non-DC Markets	↑ 4.4%	↑ 4.4%
Air Seat Capacity[2]		
Total International	↑ 7.6%	↑ 6.3%
10 DC Markets*	↑ 6.4%	↑ 5.5%
Non-DC Markets	↑ 11.0%	↑ 8.0%
National Hotel Indicators[3]		
Occupancy Rate**	↑ 1.3	↑ 1.2
Revenue Per Available Room (Revpar)	↑ 6.0%	↑ 4.8%
Average Daily Rate (ADR)	↑ 7.8%	↑ 6.9%

Notes:
The Industry Performance Dashboard figures are year-on-year variations.
* The 10 DC markets are US, France, Germany, UK, Australia, China, India, Japan, South Korea and Mexico.
** Percentage point variations.

Sources:
1. Statistics Canada, Frontier counts, custom tabulations
2. IATA Diio SRS Analyser
3. CBRE Hotels with reproduction and use of information subject to CBRE Disclaimer / Terms of Use as detailed at www.cbre.ca.

MARKET MONITOR SUMMARY

		Overnight Arrivals[i]		Arrival YOY Variations (%)		Air Seat capacity[ii]		Local currency vs. CAD[iii]	
	Market	June 2018	YTD 2018	June 2018	YTD 2018	June 2018	YTD 2018	June 2018 Average	YTD Average
DC North America	United States	1,867,484	5,848,397	3.5%	1.7%	6.1%	4.5%	-1.3%	-4.2%
	Mexico	42,305	168,799	-3.6%	-0.6%	32.0%	60.4%	-11.8%	-2.5%
DC Europe	France	52,724	217,952	7.0%	7.6%	11.6%	5.2%	2.6%	7.1%
	Germany	48,772	150,542	11.6%	3.1%	4.1%	1.7%	2.6%	7.1%
	United Kingdom	95,544	314,988	4.5%	-2.8%	-0.1%	2.5%	2.4%	4.7%
DC Asia-Pacific	Australia	45,324	151,707	-8.6%	-5.7%	16.8%	6.0%	-2.1%	-2.1%
	China	74,254	300,770	-5.2%	9.1%	9.7%	6.9%	3.9%	3.4%
	India	45,658	136,540	9.1%	6.6%	51.2%	31.3%	-6.1%	-4.2%
	Japan	23,509	98,833	-15.7%	-20.7%	-5.4%	-3.9%	-0.5%	-1.0%
	South Korea	31,435	109,281	-4.6%	-7.9%	-8.0%	4.5%	2.0%	1.5%
Total 10 DC Markets		**2,327,009**	**7,497,809**	**2.8%**	**1.3%**				
Rest of the World		**329,368**	**1,080,119**	**4.4%**	**4.4%**				
Total International		**2,656,377**	**8,577,928**	**3.0%**	**1.7%**				

Sources:
i. Statistics Canada, Frontier counts, custom tabulations
ii. IATA Dio SRS Analyser
iii. Bank of Canada

Notes:
i. Arrival figures are preliminary estimates and are subject to change.
ii. Air seat capacity is the variation in the total number of seats on direct commercial scheduled flights during the current month and YTD relative to the same periods in the previous year.
iii. The exchange rate variation is calculated on the average value of the Canadian dollar during during the current month and YTD relative to the same periods in the previous year.

UNITED STATES

US Arrivals to Canada

CURRENT MONTH:

+3.5% ↑ YOY

YTD:

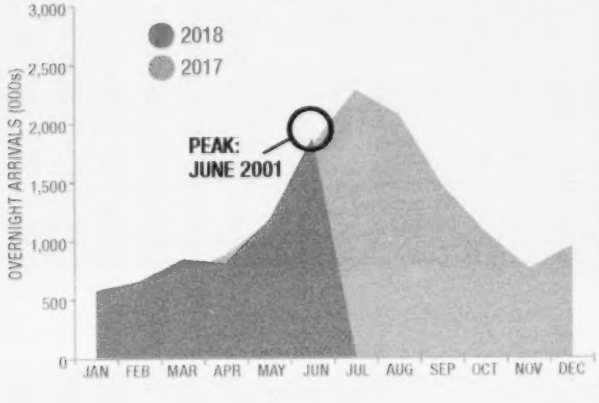
+1.7% ↑ YOY

Overnight Arrivals

	June 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Automobile	1,051,241	7.9	3,248,021	3.1
Air	555,149	-7.0	2,008,160	-2.9
Other	261,094	12.3	592,216	10.5
US Total	**1,867,484**	**3.5**	**5,848,397**	**1.7**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total United States Arrivals



United States: Key Indicators

Air Seat Capacity[i]	June 2018	6.1%
	YTD	4.5%
Exchange Rate[ii]	June 2018	-1.3%
	YTD	-4.2%
Consumer Confidence Index (1985=100)[iii]	June 2018	127.1
	Previous Month	128.8
YTD Arrival Peak[iv]	Peak Year	2001
	Current % of Previous Peak	90.4%

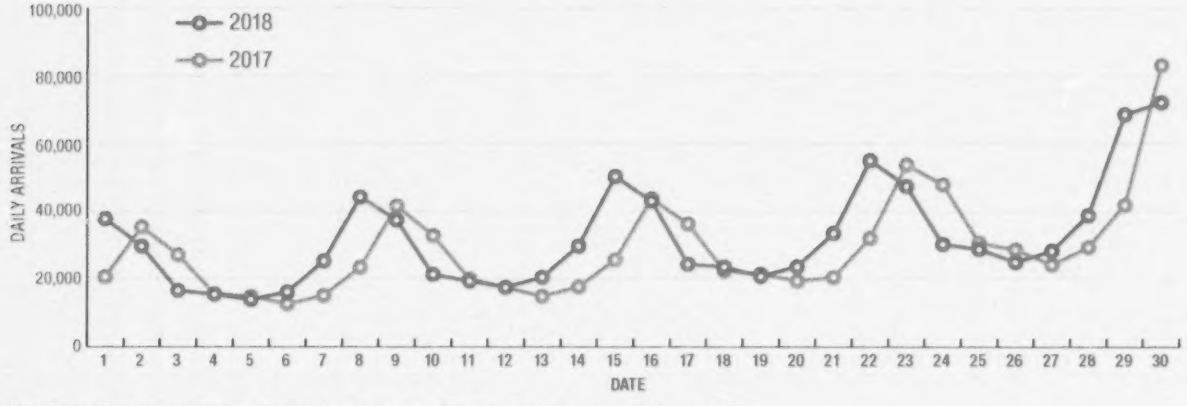
Source:
i. IATA Dilo SRS Analyser, Year-on-year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Consumer Confidence Index, the Conference Board (USA).
iv. Statistics Canada, Frontier counts, custom tabulations.

UNITED STATES

- With 1.9 million visitors in June 2018, overnight arrivals from the US for the month of June were the highest since 2002 and well ahead of June 2017 (+3.5%). This growth in US visitors to Canada was driven by auto arrivals (+7.9%) and arrivals by other modes of transportation such as bus, train, and cruise (+12.3%), which outpaced a continued decline in US air arrivals (-7.0%).
- Over the first half of 2018, 5.8 million US tourists visited Canada, up 1.7% over the same period of 2017and the highest level of US arrivals for the first half of the year since 2004. A year-to-date decline in revised data for air arrivals (-2.9%) was offset by the continued increase in auto arrivals (+3.1%) and strong growth in arrivals by other modes of transport (+10.5%).
- The USD has lost some purchasing power in Canada compared to a year ago (-1.3% in June, -4.2% YTD), which could have played a part in the downward trend of US air arrivals. Though air capacity between Canada and the US continued to expand (+6.1% in June, +4.5% YTD), there is evidence that many of those additional seats may have been filled by Canadian travellers returning from the US.
- The largest share of US vehicle arrivals in June 2018 originated from New York (14.7%), Washington (11.0%), and Michigan (10.2%), with the same top three origin states over the first six months of the year[1].
- After jumping to 128.8 in May 2018, the consumer confidence index published by the US Conference Board slipped 1.7 points in June 2018, now sitting at 127.1.

[1] States of origin information is based on Integrated Primary Inspection Lane (IPIL) data collected from US residents entering Canada in automobiles with license plate registered in the United States. Some automobiles driven across the border may be rental vehicles. Rented vehicles in one US state may be registered in different state.

Daily US Overnight Auto Arrivals – June 2018



Note: Daily US resident overnight auto arrivals at land ports with Integrated Primary Inspection Lane (IPIL).

MEXICO

Mexico Arrivals to Canada

CURRENT MONTH:

-3.6% ↓ YOY

YTD:

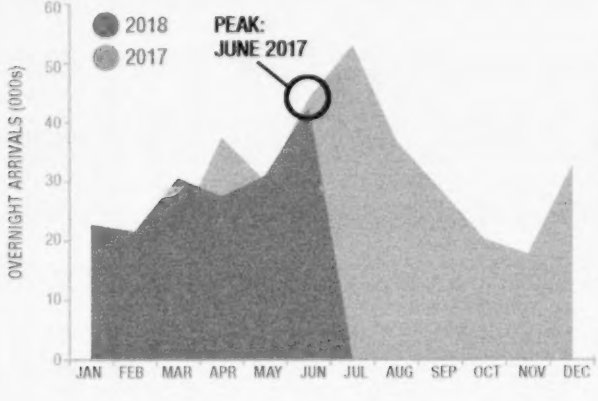
-0.6% ↓ YOY

Overnight Arrivals

	June 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
Mexico	42,305	-3.6	168,799	-0.6

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Arrival Trend Plot – Total Mexico



Mexico: Key Indicators

		Mexico
Air Seat Capacity[i]	June 2018	32.0%
	YTD	60.4%
Exchange Rate[ii]	June 2018	-11.8%
	YTD	-2.5%
YTD Arrival Peak[iii]	Peak Year	2017
	Current % of Previous Peak	99.4%

Sources:
i. IATA Diio SRS Analyser, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

MEXICO

- June 2018 arrivals from Mexico were down slightly compared to the exceptional performance recorded a year ago (-3.6%), with just over 42,000 visitors in June 2018. This brought year-to-date arrivals from Mexico for the first half of 2018 to just below 2017 levels, with just under 169,000 visitors (-0.6%). For both the month of June and year-to-date, arrivals from Mexico were the second highest after last year's record peaks following the replacement of the visa requirement for Mexican citizens with the eTA in December 2016.
- The subdued performance from this market in 2018 can be attributed to a severe decline in Mexican arrivals by land via the US (-69.4% in June, -70.2% YTD) and a drop in air arrivals via the US (-19.6% in June, -21.7% YTD). Direct air arrivals from Mexico continue to record strong growth over the same period (+9.1% in June, +21.9% YTD), as well as increased arrivals by sea (+54.2% in June, +48.3% YTD).
- Increased direct air capacity between Mexico City and Canada continued to support the strong performance in direct air arrivals from Mexico (+32.0% in June, +60.4% YTD), despite the ongoing decline in the strength of the Mexican Peso in Canada (-11.8% in June, -2.5% YTD).

Mexico Arrivals by Port of Entry

- In the first half of 2018, the vast majority of visitors from Mexico flew directly to Canada (78.0%). Of those direct air arrivals, the largest proportion (31.3%) flew into YYZ, followed by YVR (26.0%) and YUL (14.2%). Though YYC continued to receive the smallest proportion of direct air arrivals (2.7%), it continued to record the largest year-over-year growth from this market (+222.2%).

			Mexico
Air Arrivals from Overseas	YYZ	Arrivals	41,159
		YOY%	12.9%
		% of Total	**24.4%**
	YVR	Arrivals	34,280
		YOY%	39.1%
		% of Total	**20.3%**
	YUL	Arrivals	18,746
		YOY%	26.2%
		% of Total	**11.1%**
	YYC	Arrivals	3,593
		YOY%	222.2%
		% of Total	**2.1%**
	All other airports	Arrivals	33,863
		YOY%	43.9%
		% of Total	**20.1%**
	Subtotal	Arrivals	131,641
		YOY%	21.9%
		% of Total	**78.0%**
Air Arrivals via the US	All airports	Arrivals	24,985
		YOY%	-21.7%
		% of Total	**14.8%**
Sea Arrivals	All sea borders	Arrivals	4,078
		YOY%	48.3%
		% of Total	**2.4%**
Land Arrivals via US	All land borders	Arrivals	8,095
		YOY%	-70.2%
		% of Total	**4.8%**
Total Overnight Arrivals			**168,799**

Source: Statistics Canada, Frontier counts, custom tabulations, Table C.
Note: The figures are preliminary estimates and are subject to change.

EUROPE

Europe Arrivals to Canada

CURRENT MONTH:

+6.9% ↑ YOY

YTD:

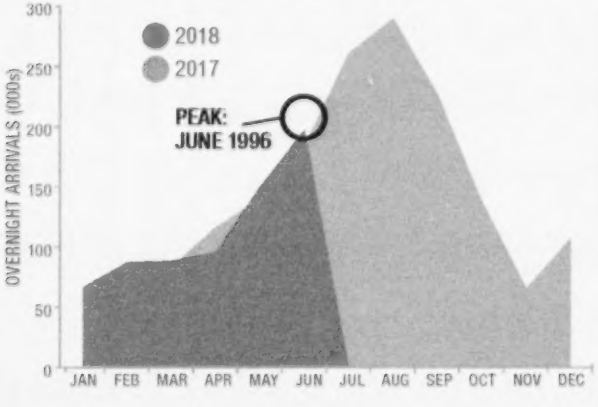
+1.6% ↑ YOY

Overnight Arrivals

	June 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Europe	**197,040**	**6.9**	**683,482**	**1.6**
United Kingdom	95,544	4.5	314,988	-2.8
France	52,724	7.0	217,952	7.6
Germany	48,772	11.6	150,542	3.1
Other Europe	**122,984**	**-7.3**	**411,429**	**-9.8**
Italy	14,196	-0.5	40,999	1.0
Netherlands	15,445	-7.1	51,950	-5.8
Spain	10,467	-5.1	30,148	-3.9
Switzerland	13,420	3.5	44,008	-2.7
Rest of Europe	69,456	1.9	244,324	1.6
Total Europe	**320,024**	**4.1**	**1,094,911**	**0.9**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Europe Arrivals



DC Europe: Key Indicators

		France	Germany	United Kingdom
Air Seat Capacity[i]	June 2018	11.6%	4.1%	-0.1%
	YTD	5.2%	1.7%	2.5%
Exchange Rate[ii]	June 2018	2.6%	2.6%	2.4%
	YTD	7.1%	7.1%	4.7%
YTD Arrival Peak[iii]	Peak Year	2017	1996	2007
	Current % of Previous Peak	107.6%	90.7%	82.4%

Sources:
i. IATA Dio SRS Analyser, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

EUROPE

- Arrivals from Destination Canada's Europe region were steadily ahead of 2017 in June, with 197,000 visitors in June 2018 (+6.9%), the second highest level on record following the peak in June 1996. June arrivals from this region were up across all modes of entry except air arrivals via the US (-29.0%).
- From January to June 2018, arrivals from this region pulled ahead of the previous peak set last year (+1.6%) to reach a new record for the first half of the year (683,000 visitors), with increased visitation from France and Germany offsetting a slight decline in arrivals from the UK over this period.
- With 53,000 visitors in June (+7.0%) and 218,000 visitors from January to June 2018 (+7.6%), France led Destination Canada's Europe region in year-over-year arrivals growth and set a new record peak for the first half of the year.
- Arrivals from Germany were also up in June 2018 (49,000 visitors, +11.6%), bringing year-to-date arrivals to 151,000 (+3.1%) – the highest levels for the first half of the year since the peak in 1996.
- With June's increased UK arrivals (96,000, +4.5%) contributing to a year-to-date total of 315,000 visitors, the UK moved ahead of China to reclaim its position as Canada's largest long-haul market for the first half of 2018, despite a slight year-over-year decline in year-to-date arrivals (-2.8%).
- The positive performance from this region was supported by a strong Euro and British Pound in Canada compared to a year ago.

DC Europe Arrivals by Port of Entry

- With strong growth in direct air arrivals (+6.2%), year-to-date performance from this region was held back by fewer arrivals via the US, both by air (-16.9%) and by land (-4.5%). By market, arrivals from France and Germany were mainly held back by air arrivals via the US in particular, while fewer UK visitors came to Canada via the US both by air and by land.

			France	Germany	UK
Air Arrivals from Overseas	YYZ	Arrivals	18,237	33,566	78,288
		YOY%	-12.1%	-3.4%	-4.9%
		% of Total	**8.4%**	**22.3%**	**24.9%**
	YVR	Arrivals	5,132	18,137	45,952
		YOY%	14.0%	5.1%	0.8%
		% of Total	**2.4%**	**12.0%**	**14.6%**
	YUL	Arrivals	89,808	12,492	16,566
		YOY%	17.5%	14.6%	7.9%
		% of Total	**41.2%**	**8.3%**	**5.3%**
	YYC	Arrivals	1,048	7,062	23,262
		YOY%	-13.8%	-2.6%	-4.9%
		% of Total	**0.5%**	**4.7%**	**7.4%**
	All other airports	Arrivals	46,246	36,096	80,458
		YOY%	44.9%	51.5%	49.0%
		% of Total	**21.2%**	**24.0%**	**25.5%**
	Subtotal	Arrivals	160,471	107,353	244,526
		YOY%	16.1%	3.8%	1.5%
		% of Total	**73.6%**	**71.3%**	**77.6%**
Air Arrivals via the US	All airports	Arrivals	44,143	19,688	38,502
		YOY%	-17.6%	-21.5%	-13.6%
		% of Total	**20.3%**	**13.1%**	**12.2%**
Sea Arrivals	All sea borders	Arrivals	452	6,379	14,650
		YOY%	-33.8%	44.5%	21.3%
		% of Total	**0.2%**	**4.2%**	**4.7%**
Land Arrivals via US	All land borders	Arrivals	12,886	17,122	17,310
		YOY%	29.3%	29.9%	-34.4%
		% of Total	**5.9%**	**11.4%**	**5.5%**
Total Overnight Arrivals			**217,952**	**150,542**	**314,988**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

ASIA-PACIFIC

DC Asia-Pacific Arrivals to Canada

CURRENT MONTH:

-4.5% ↓ YOY

YTD:

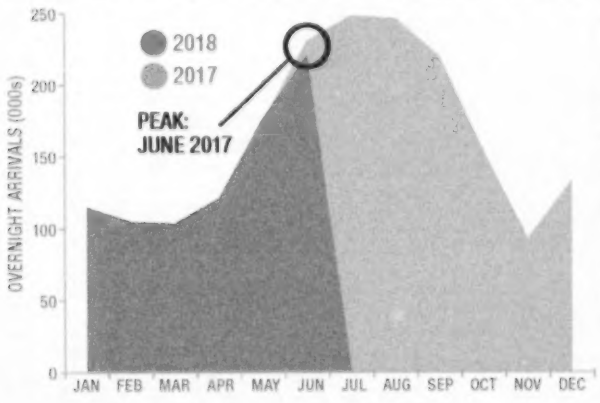
-1.3% ↓ YOY

Overnight Arrivals

	June 2018		YTD 2018	
	Arrivals	% YOY Variance	Arrivals	% YOY Variance
DC Asia-Pacific	**220,180**	**-4.5**	**797,131**	**-1.3**
Australia	45,324	-8.6	151,707	-5.7
China	74,254	-5.2	300,770	9.1
India	45,658	9.1	136,540	6.6
Japan	23,509	-15.7	98,833	-20.7
South Korea	31,435	-4.6	109,281	-7.9
Other Asia-Pacific	**121,726**	**36.3**	**373,361**	**47.9**
Hong Kong	18,963	-5.4	67,404	-3.3
Taiwan	16,438	31.5	58,645	45.6
Rest of Asia-Pacific	86,325	10.2	247,312	5.6
Total Asia-Pacific	**341,906**	**0.1**	**1,170,492**	**1.6**

Source: Statistics Canada, Frontier counts, custom tabulations.
Note: The figures are preliminary estimates and are subject to change.

Trend Plot: Total DC Asia-Pacific Arrivals



Asia-Pacific: Key Indicators

		Australia	China	India	Japan	South Korea
Air Seat Capacity[i]	June 2018	16.8%	9.7%	51.2%	-5.4%	-8.0%
	YTD	6.0%	6.9%	31.3%	-3.9%	4.5%
Exchange Rate[ii]	June 2018	-2.1%	3.9%	-6.1%	-0.5%	2.0%
	YTD	-2.1%	3.4%	-4.2%	-1.0%	1.5%
YTD Arrival Peak[iii]	Peak Year	2017	2017	2017	1996	2017
	Current % of Previous Peak	94.3%	109.1%	106.6%	38.6%	92.1%

Sources:
i. IATA Dio SRS Analyser, Year on year % variance.
ii. Bank of Canada, Year on year % variance.
iii. Statistics Canada, Frontier counts, custom tabulations.

- Arrivals from Destination Canada's Asia-Pacific region declined in June 2018 (220,000 visitors, -4.5%), with fewer travellers visiting Canada from four of the five key markets. This brings year-to-date arrivals from the region below 2017 levels for the first half of the year (797,000, -1.3%).
- India was the only one of Destination Canada's international markets to post record arrivals both in June (+9.1%) and year-to-date 2018 (+6.6%), with the growth coming primarily via direct air arrivals.
- While China saw a downturn in June 2018 arrivals (-5.2%), year-to-date arrivals set a new record (+9.1%), surpassing 300K visitors in the first half of the year for the first time. However, it also lost its new position as Canada's largest long-haul market, with year-to-date arrivals falling short of the UK.
- Arrivals from Australia in June 2018 (-8.6%) and over the first half of the year (-5.7%) fell short of the peaks set during an exceptional year in 2017. With direct air arrivals still ahead of last year, supported by expanded air capacity to Canada, the decline was due to fewer travellers passing through the US, by air, by land and by sea. Fewer Australian cruise passengers (-10.1%, making up 11.5% of total arrivals YTD) disembarked in Vancouver in May and June 2018 compared to the same period in 2017.
- Despite a decline in June (-4.6%) and YTD 2018 (-7.9%) due to fewer air arrivals, both direct and via the US, South Korea surpassed 100,000 visitors in the first half of the year for only the second time on record.
- In the midst of weakening consumer confidence since the start of the year, direct and via US air arrivals from Japan saw significant declines in June (-15.7%) and YTD 2018 (-20.7%). However, direct air arrivals to Québec increased as a result of the introduction of a new Air Canada flight between Tokyo-Narita and Montréal.

DC Asia-Pacific Arrivals by Port of Entry

- The majority of visitors from Destination Canada's Asia-Pacific region continued to travel to Canada by air direct from overseas (67.6%) in the first half of 2018. This was supported by ongoing air capacity expansion from most markets over this period, with the exception of Japan.

			Australia	China	India	Japan	South Korea
Air Arrivals from Overseas	YYZ	Arrivals	4,779	66,991	41,767	14,784	16,406
		YOY%	-15.4%	15.0%	-1.1%	-43.5%	-15.8%
		% of Total	**3.2%**	**22.3%**	**30.6%**	**15.0%**	**15.0%**
	YVR	Arrivals	40,489	89,421	21,414	33,771	22,341
		YOY%	6.0%	11.5%	81.2%	-13.0%	-15.6%
		% of Total	**26.7%**	**29.7%**	**15.7%**	**34.2%**	**20.4%**
	YUL	Arrivals	706	12,334	3,554	243	348
		YOY%	-6.2%	30.4%	-0.9%	-46.4%	6.4%
		% of Total	**0.5%**	**4.1%**	**2.6%**	**0.2%**	**0.3%**
	YYC	Arrivals	517	3,500	4,136	3,008	123
		YOY%	5.5%	-20.0%	22.4%	-23.9%	-39.7%
		% of Total	**0.3%**	**1.2%**	**3.0%**	**3.0%**	**0.1%**
	All other airports	Arrivals	18,511	54,983	34,245	16,510	15,810
		YOY%	41.1%	36.1%	56.1%	23.8%	34.0%
		% of Total	**12.2%**	**18.3%**	**25.1%**	**16.7%**	**14.5%**
	Subtotal	Arrivals	65,002	227,229	105,116	68,316	55,028
		YOY%	2.8%	8.4%	16.0%	-22.8%	-13.6%
		% of Total	**42.8%**	**75.5%**	**77.0%**	**69.1%**	**50.4%**
Air Arrivals via the US	All airports	Arrivals	54,678	35,394	17,348	19,390	12,436
		YOY%	-10.4%	-12.2%	6.2%	-28.5%	-27.0%
		% of Total	**36.0%**	**11.8%**	**12.7%**	**19.6%**	**11.4%**
Sea Arrivals	All sea borders	Arrivals	18,039	3,804	4,926	2,007	2,140
		YOY%	-8.9%	-36.9%	10.1%	-5.6%	-1.4%
		% of Total	**11.9%**	**1.3%**	**3.6%**	**2.0%**	**2.0%**
Land Arrivals via US	All land borders	Arrivals	13,988	34,343	9,150	9,120	39,677
		YOY%	-17.2%	75.3%	-45.2%	34.1%	11.1%
		% of Total	**9.2%**	**11.4%**	**6.7%**	**9.2%**	**36.3%**
Total Overnight Arrivals			**151,707**	**300,770**	**136,540**	**98,833**	**109,281**

Source: International Travel Survey, Table C, Statistics Canada.
Note: The figures are preliminary estimates and are subject to change.

CANADIAN OUTBOUND TRAVEL

Overnight Trips by Canadians

	June 2018	YOY % Variance	Jan.- June 2018	YOY % Variance
United States	1,527,987	5.5	10,394,015	9.5
Other Countries	751,538	-10.9	6,631,752	-4.8
Total Trips from Canada	2,279,525	-0.6	17,025,767	3.4

Source: Statistics Canada, International Travel Survey.
Note: The figures are preliminary estimates and are subject to change.

- In June 2018, Canadian outbound travel was marginally down compared to the same month a year ago (-0.6%). A significant decline in travel to overseas international destinations (-10.9%) outpaced increased Canadian travel to the US (+5.5%).
- Over the first half of 2018, increased Canadian travel to the US (+9.5%) more than offset the decline in travel to other international destinations (-4.8%), resulting in an overall increase in outbound travel compared to the first half of 2017 (+3.4%).
- With increased air capacity between Canada and the United States, it may be that Canadian travellers are filling many of those additional seats.
- However, these results should be interpreted with caution given the recent incorporation of PIK data in frontier counts and comparability with 2017 data, which has not yet been revised. In particular, Statistics Canada noted, "there has been an increased tendency of Canadian travellers returning from overseas trips via the United States to report that they are returning from the United States and not overseas via the United States".

INTERNATIONAL ARRIVALS BY PROVINCE OF ENTRY

Year-to-date Overnight Arrivals by Province of Entry

		Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
Total One or more nights	2018	17,814	69	64,435	93,314	1,294,601	3,923,922
	Variance YOY%	13.2%	-25.0%	11.5%	12.7%	4.4%	-2.1%
	Change YOY	2,075	(23)	6,638	10,486	54,679	(85,239)
US Residents by Automobile	2018	0	0	2,796	75,790	445,864	1,698,871
	Variance YOY%	0.0%	0.0%	-10.1%	3.7%	1.5%	2.9%
	Change YOY	-	-	(315)	2,735	6,746	48,389
US Residents by Non-Automobile	2018	2,894	48	38,151	14,458	382,627	1,096,976
	Variance YOY%	19.5%	-36.0%	11.7%	77.5%	4.5%	-6.3%
	Change YOY	473	(27)	4,006	6,311	16,515	(73,297)
Residents from Other Countries	2018	14,920	21	23,488	3,066	466,110	1,128,075
	Variance YOY%	12.0%	23.5%	14.3%	88.6%	7.2%	-5.1%
	Change YOY	1,602	4	2,947	1,440	31,418	(60,331)

Source: Statistics Canada, Frontier counts, custom tabulations.
Preliminary estimates subject to change.

Year-to-date Overnight Arrivals by Province of Entry

		Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Nunavut	CANADA
Total One or more nights	2018	101,747	30,443	444,988	2,536,899	69,425	271	8,577,928
	Variance YOY%	7.4%	5.0%	2.7%	4.9%	15.1%	-24.5%	1.6%
	Change YOY	7,021	1,450	11,490	119,488	9,125	(88)	137,102
US Residents by Automobile	2018	67,919	23,538	57,917	845,615	29,711	0	3,248,021
	Variance YOY%	6.7%	5.8%	3.8%	3.9%	3.8%	0.0%	3.1%
	Change YOY	4,249	1,289	2,113	31,705	1,082	-	97,993
US Residents by Non-Automobile	2018	29,290	5,855	248,523	747,072	34,440	42	2,600,376
	Variance YOY%	4.1%	1.0%	3.6%	3.4%	33.4%	50.0%	-0.1%
	Change YOY	1,155	56	8,704	24,527	8,618	14	(2,945)
Residents from Other Countries	2018	4,538	1,050	138,548	944,212	5,274	229	2,729,531
	Variance YOY%	55.4%	11.1%	0.5%	7.2%	-9.8%	-30.8%	1.6%
	Change YOY	1,617	105	673	63,256	(575)	(102)	42,054

- From January to June 2018, most international visitors to Canada continued to enter the country via Ontario (45.7%), British Columbia (29.6%), and Quebec (15.1%).
- Over the first half of the year, British Columbia (+119,000 visitors) and Quebec (+55,000 visitors) registered the largest growth in arrivals. Meanwhile, Ontario recorded the most notable year-over-year decline in international arrivals over this period (-85,000 visitors), with fewer US non-auto and visitors from other countries crossing the border in that province YTD June 2018.

ACCOMMODATION

Hotel Performance Indicators by Province

	Occupancy Rate				Average Daily Rate (ADR)				Revenue Per Available Room (RevPAR)			
	June 2018	YOY^ Variance	Jan.- June	YOY^ Variance	June 2018	YOY % Variance	Jan.- June	YOY % Variance	June 2018	YOY % Variance	Jan.- June	YOY % Variance
Alberta[1]	62.5%	4.0	54.0%	3.1	$134.21	1.6%	$129.25	0.0%	$83.92	8.6%	$69.78	6.0%
British Columbia	79.9%	0.0	67.9%	0.8	$208.80	11.8%	$178.18	10.2%	$166.75	11.9%	$120.96	11.6%
Saskatchewan	60.3%	0.9	55.3%	3.6	$119.35	-1.7%	$118.83	-2.0%	$71.95	-0.2%	$65.72	4.9%
Manitoba	75.1%	-2.7	66.4%	-0.5	$130.06	1.8%	$125.88	2.4%	$97.71	-1.7%	$83.58	1.7%
Ontario	78.0%	1.8	66.5%	1.8	$170.60	4.4%	$155.64	4.8%	$133.07	6.9%	$103.55	7.6%
Quebec	79.0%	1.1	64.6%	-1.3	$200.40	7.5%	$165.53	3.8%	$158.25	9.0%	$106.97	1.8%
New Brunswick	67.9%	-1.0	54.5%	0.6	$126.36	3.5%	$119.87	3.9%	$85.78	1.9%	$65.30	5.0%
Nova Scotia	76.2%	0.1	60.6%	0.0	$160.78	8.9%	$140.59	6.9%	$122.58	9.0%	$85.19	6.9%
Newfoundland	66.7%	-8.0	47.2%	-11.4	$155.87	-1.5%	$139.26	-0.9%	$103.91	-12.1%	$65.79	-20.1%
Prince Edward Island	69.2%	-5.4	48.7%	1.2	$167.90	4.1%	$133.03	7.6%	$116.12	-3.5%	$64.79	10.3%
Northwest Territories	64.5%	0.1	71.2%	3.8	$144.39	-0.1%	$149.26	2.8%	$93.17	0.0%	$106.34	8.6%
Yukon	91.0%	5.0	59.3%	-0.9	$156.16	7.8%	$137.96	7.9%	$142.09	14.1%	$81.82	6.4%
Canada	**74.4%**	**1.3**	**62.9%**	**1.2**	**$175.72**	**6.0%**	**$155.14**	**4.8%**	**$130.80**	**7.8%**	**$97.54**	**6.9%**

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.

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- The National Occupancy Rate increased by 1.3 points year-over-year in June 2018, currently sitting at 74.4%. Over the first half of 2018, the average occupancy rate rose 1.2 points over the same period of 2017 to 62.9%. The highest occupancy rates in June were reported in Yukon (91.0%), British Columbia (79.9%), and Quebec (79.0%), while the highest over the first six months of the year were registered for the Northwest Territories (71.2%), British Columbia (67.9%) and Ontario (66.5%). Yukon (+5.0%) and the Northwest Territories (+3.8%) recorded the strongest year-over-year growth for the month and YTD, respectively.

- In the first half of the year, the average daily rate (ADR) continued to record strong year-over-year growth at the national level, sitting at $175.72 in June (+6.0%) and $155.14 YTD (+4.8%). For both June and YTD, the top three highest ADR reported were in British Columbia ($208.80 in June, $178.18 YTD), Quebec ($200.40 in June, $165.53 YTD), and Ontario ($170.60 in June, $155.64 YTD), with British Columbia also recording the strongest year-over-year growth in this measure (+11.8% in June, +10.2% YTD).

- Canada's average revenue per available room (RevPar) also continued to increase rapidly in the first half of 2018, currently sitting at $130.80 (+7.8%) in June and $97.54 (+6.9%) YTD. At the provincial level, British Columbia continued to lead on this measure, both in June ($166.75) and YTD ($120.96), with strong numbers also recorded from Quebec, Yukon, and the Northwest Territories. In June 2018, the strongest year-over-year growth in this measure was observed in Yukon (+14.1%), while British Columbia led YTD (+11.6%).

ACCOMMODATION

Hotel Performance Indicators by Property Type

	Occupancy Rates				Average Daily Rate (ADR)			
	June 2018	YOY^ Change	Jan.- June	YOY^ Variance	June 2018	YOY Variance	Jan.- June	YOY Variance
Property Size								
Under 50 rooms	62.8%	2.5	48.3%	1.0	$126.15	8.8%	$111.46	4.2%
50-75 rooms	68.4%	0.9	55.8%	1.4	$128.94	5.5%	$115.37	3.9%
76-125 rooms	71.8%	0.9	61.2%	1.6	$141.76	4.0%	$129.30	2.9%
126-200 rooms	74.6%	0.6	63.6%	0.8	$160.09	6.2%	$143.16	4.9%
201-500 rooms	78.2%	2.3	66.8%	1.4	$209.94	5.6%	$185.00	5.7%
Over 500 rooms	84.5%	0.7	70.9%	0.2	$280.65	8.4%	$229.89	6.7%
Total	**74.4%**	**1.3**	**62.9%**	**1.2**	**$175.72**	**6.0%**	**$155.14**	**4.8%**
Property Type								
Limited Service	68.9%	1.6	57.8%	1.6	$128.08	6.0%	$117.85	3.7%
Full Service	77.8%	1.2	65.7%	1.3	$194.86	6.0%	$168.35	5.4%
Suite Hotel	80.7%	0.2	71.0%	-0.2	$182.68	7.8%	$161.72	5.6%
Resort	73.1%	1.9	60.1%	0.2	$271.39	8.7%	$240.98	8.1%
Total	**74.4%**	**1.3**	**62.9%**	**1.2**	**$175.72**	**6.0%**	**$155.14**	**4.8%**
Price Level								
Budget	68.1%	1.9	56.2%	1.3	$114.87	7.2%	$103.70	6.5%
Mid-Price	75.1%	1.3	63.6%	1.3	$163.50	5.0%	$145.23	3.4%
Upscale	80.2%	-0.2	68.4%	0.5	$297.15	6.9%	$253.13	6.6%
Total	**74.4%**	**1.3**	**62.9%**	**1.2**	**$175.72**	**6.0%**	**$155.14**	**4.8%**

Note: Based on the operating results of 237,545 rooms (unweighted data).
^ Percentage points.

- In line with past observations, in the first half of 2018, the highest occupancy rates across Canada were reported for larger properties (500+ rooms) (84.5% in June, 70.9%% YTD), though some smaller properties tended to report stronger year-over-year growth. Suite hotels (80.7% in June, 71.0% YTD), and upscale properties (80.2% in June, 68.4% YTD) reported the highest occupancy rates by property type and price level.
- Those larger properties ($280.65 in June, $229.89 YTD) and upscale properties ($297.15 in June, $240.98 YTD) reported the highest average daily rates (ADR) over this period, but resorts reported the highest ADR by property type ($271.39 in June, $240.98 YTD).